

**Assembly Bill 2776 (Plescia)**  
**Political Reform Act of 1974: disclosures**

**Version: Introduced February 24, 2006**  
**Status: Introduced**

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**Summary**

This bill would allow radio advertisements for ballot measures to disclose contributor information via a toll-free telephone number instead of by the current requirement that the disclosure be spoken at the end of the advertisement.

**Recommendation**

Staff recommends the Commission adopt a position of “oppose.”

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**Background**

Under existing law, radio ballot advertisements must meet the following requirements:

1. Ballot Measure Advertisement – An advertisement for or against a ballot measure must include a disclosure statement identifying any contributor of over \$50,000. If there are more than two contributors over \$50,000, then only the top two contributors must be disclosed.
2. Broadcast communication – The disclosure statement in a broadcast communication must be spoken so as to be clearly audible and understood by the intended public and otherwise appropriately conveyed for the hearing impaired.
3. Committee – Any committee that supports or opposes one or more ballot measures must name itself so as to identify the economic or other interest of its major donors of \$50,000 or more. In addition, if the committee’s major donors of \$50,000 or more share a common employer, the identity of the employer must also be disclosed.

There is an exception to these requirements for radio advertisements of 15 seconds or less. Even if disclosure of two major donors is required under the above provisions, an advertisement that is 15 seconds or shorter is only required to include the committee name and its highest contributor.

Under current law, the shortest ballot measure ad disclosure might include just one individual or committee, while longer disclosures would be required to include the committee name and its top two contributors. A committee name may be quite long depending on the required incorporation of information regarding the economic or other interests of its donors of \$50,000 or more, and potentially those donors’ employer’s, as discussed under number 3 above, in addition to other requirements under sections 82048.7 and 84107.

AB 2776 amends section 84507 of the Political Reform Act (Act) to exempt any disclosure statement in an audio advertisement from the requirement that the disclosure be spoken, with the exception of disclosure of the committee name. This bill allows the other required disclosures to be made by a recording accessible by telephone call, so that a toll-free number given in the ad would replace the previously required disclosure.

### **Analysis**

Staff has a number of serious concerns with AB 2776.

### Disclosure

One of our most important functions is ensuring disclosure of information about the source of money for political campaigns. In the area of advertisements, the burden is currently on the committee or individual paying for the advertisement to disclose information about its funding sources. This bill would shift that burden to the public, who would be responsible for writing down the 800-number that is recited during the advertisement and then make a phone call to obtain the information. Often, audio ads are heard while a person is driving a car or in an otherwise difficult position to scribble down the number in order to make the call for further information. And, even if the person has the number, he or she may never even call to get the information. As a result, disclosure of this information will be significantly reduced.

### Enforcement

This bill raises enforcement concerns because the 800-numbers and their recordings would need to be monitored. The recordings could be changed in a moment's notice, so it would be impossible for enforcement staff to ascertain exactly what recording was heard by an individual on the day that a person called the number, particularly when it may be weeks or months before a complaint is received or an investigation is conducted. It adds another layer of enforcement where there currently is none and another avenue for potential violations of a section that is presently quite clear. Staff predicts an increase in complaints and violations as a result.

### Furthering the Purposes of the Act

Section 81202 of the Act requires that any amendment must further the purposes of the Act. On the contrary, as currently drafted, AB 2776 would hinder the purposes of the Act because it would reduce the level of disclosure for audio broadcast ballot measure advertisements.

### Bill Language

Aside from staff's concerns about the bill's substantive provisions, the language of the bill needs further clarification to determine who (the Commission or committee paying for the advertisement) is to maintain the toll-free number that provide the disclosures, whether each ballot measure will have a separate toll-free number, how broad the exemption reaches, etc.

Staff also notes that Legislative Counsel's digest preceding the bill language refers only to "candidates" in its summary of what this bill would do. However, the section referenced in the bill language (section 84504) relates to ballot measures, and the section amended by the bill language (section 84507) relates to both candidate and ballot measure advertisements. Further, it appears that the focus of the bill would be on ballot measures, since candidates do not have to disclose multiple names in their audio advertisements. Not only is the language in the digest misleading, but the language of the bill, and the intent of the author, is unclear.

### **Fiscal Impact**

Implementation and enforcement costs to the Commission are difficult to determine without clarification of the bill language and more information on the author's intent.